

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, OCTOBER 19, 2005**

**C-1     CALL TO ORDER / ROLL CALL**

The City Council Closed Session meeting of October 19, 2005, was called to order by Mayor Beckman at 6:00 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

**C-2     ANNOUNCEMENT OF CLOSED SESSION**

- a) Actual litigation: Government Code §54956.9(a); one case; *Farr Associates v. City of Lodi*, San Joaquin County Superior Court, Case No. CV-025075
- b) Conference with legal counsel – anticipated litigation – significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; one case; pursuant to Government Code §54956.9(b)(3)(B) regarding former Electric Utility Director
- c) Conference with Blair King, City Manager, and/or Jere Kersnar, Interim Deputy City Manager (Acting Labor Negotiators), regarding International Brotherhood of Electrical Workers and Lodi Police Officers Association, pursuant to Government Code §54957.6

**C-3     ADJOURN TO CLOSED SESSION**

At 6:00 p.m., Mayor Beckman adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:55 p.m.

**C-4     RETURN TO OPEN SESSION / DISCLOSURE OF ACTION**

At 7:01 p.m., Mayor Beckman reconvened the City Council meeting, and City Attorney Schwabauer disclosed that no reportable action was taken in closed session.

**A.     CALL TO ORDER / ROLL CALL**

The Regular City Council meeting of October 19, 2005, was called to order by Mayor Beckman at 7:01 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

**B.     INVOCATION**

The invocation was given by Pastor Steve Newman, First Baptist Church.

**C.     PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Beckman.

**D.     AWARDS / PROCLAMATIONS / PRESENTATIONS**

D-1 (a) Following introduction by Ed Beswick, Chair of the Lodi Improvement Committee, Mayor Beckman presented the Community Improvement Award to Martin and Tanya Hernandez for the improvements to their residential property at 311 E. Lodi Avenue.

D-2 (a) Mayor Beckman presented a proclamation to Paula Beck, president of the Lodi Business and Professional Women, proclaiming the week of October 23 – 29, 2005, as “National Business Women’s Week” in the City of Lodi.

D-3 Presentations – None

---

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Mounce second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$5,770,896.72.
  - E-2 The minutes of September 7, 2005 (Regular Meeting), September 7, 2005 (Special Joint Meeting w/Redevelopment Agency), September 21, 2005 (Regular Meeting), and October 11, 2005 (Shirtsleeve Session) were approved as written.
  - E-3 "Approve plans and specifications and authorize advertisement for bids for water meter installations" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
  - E-4 "Adopt resolution approving specifications, authorizing advertisement for bids for Maintenance of Landscape Areas for 2006, and authorizing the City Manager to award or reject the contracts up to an estimated \$170,000" was **pulled from the agenda pursuant to staff's request**.
  - E-5 Adopted Resolution No. 2005-220 awarding the contract for Lockeford Street Water Main (Church Street to Sacramento Street) and Olive Court Water Main Replacement (Pleasant Avenue to Church Street) Project to Arrow Construction Company, of Ceres, in the amount of \$337,760, and appropriating an additional \$108,000 for the project.
  - E-6 Adopted Resolution No. 2005-221 authorizing the City Manager to file the claim for 2005-06 Transportation Development Act funds in the amount of \$2,694,887 from Local Transportation Fund and \$11,614 from State Transit Assistance.
  - E-7 Adopted Resolution No. 2005-222 authorizing the City Manager to execute an addendum to the professional services agreement with Borismetrics, Inc., approved May 4, 2005, to increase funding in the amount of \$50,000 to support Electric Utility Department's rate analysis and resource acquisition needs.
  - E-8 "Adopt resolution authorizing the City Manager to approve Supplement Number 4 to the Northern California Power Agency (NCPA) Joint Powers Agreement approving the Bay Area Rapid Transit District as a full member to NCPA" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
  - E-9 Adopted Resolution No. 2005-223 authorizing the City Manager to enter into an agreement for Workers Compensation claims adjusting and administration services with Gregory B. Bragg & Associates, Inc. in the amount of \$94,000 for year one, \$98,000 for year two, and \$102,000 for year three.
  - E-10 Set public hearing for November 2, 2005, to consider the Planning Commission's recommendation of approval of the request of John Costamagna for a rezone from R-2, Residential Single Family, to PD (37), Planned Development Number 37, for Luca Place, a 17-lot, low-density, single-family residential subdivision located at 1380 Westgate Drive, and approve Negative Declaration ND-05-04 as adequate environmental documentation for the project.
-

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-3 "Approve plans and specifications and authorize advertisement for bids for water meter installations"

In answer to questions posed by Council, Public Works Director Prima reported that the State has mandated cities to be fully metered by January 1, 2025. Four hundred water meters will be installed in early 2006 as an initial pilot project to gather data on residential water use and ensure that metered water rates are in sync with flat rates. Staff will return to Council with a policy recommendation for implementing the metering program. Public Works is coordinating with Electric Utility in an automated meter reading program. Homes selected for the pilot project have already paid for water meters.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Beckman second, unanimously approved the plans and specifications and authorized advertisement for bids for water meter installations.

- E-8 "Adopt resolution authorizing the City Manager to approve Supplement Number 4 to the Northern California Power Agency (NCPA) Joint Powers Agreement approving the Bay Area Rapid Transit District (BART) as a full member to NCPA"

Mayor Pro Tempore Hitchcock asked what the advantage was to Lodi by having BART join NCPA. She questioned whether it would put Lodi in a competitive position for a limited source of power.

Interim Electric Utility Director Dockham reported that BART has been an associate member of NCPA for some time. He explained that competition exists whether or not BART is a member of NCPA because everyone is competing for the same sets of power supply. Mr. Dockham believed that working collaboratively draws out efficiencies for both agencies. He felt that the most significant benefit would be in increased representation, which improves the chance of influencing policy level decisions. All member cities present at the time consideration was made to allow BART to join NCPA as a full member had voted to approve it.

In answer to Mayor Pro Tempore Hitchcock, Mr. Dockham acknowledged that there is a potential to compete with BART for purchase of ownership of an NCPA owned power plant. He noted, however, that there currently are two potential projects and more than enough capacity for everyone to subscribe. He believed that, unless it was a project Lodi undertook itself, it would be competing for a share of the output of the unit with all utilities in the region.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Beckman second, adopted Resolution No. 2005-224 authorizing the City Manager to approve Supplement Number 4 to the NCPA Joint Powers Agreement approving BART as a full member to NCPA. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Mounce, and Mayor Beckman

Noes: Council Members – Hitchcock

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Mounce suggested that a Shirtsleeve Session be scheduled to discuss the use of block grant funding for installing no parking signs during times that street sweeping is scheduled.
- Council Member Hansen asked when roadwork on Lower Sacramento Road would be completed, to which Public Works Director Prima estimated that it would be done by November 1. Mr. Hansen announced that his granddaughter, Isabella Bree, was born on October 16 at 10 lbs, 1 oz, 22 inches.
- Council Member Johnson mentioned that a week ago there was an article in the Lodi News Sentinel that indicated the Budget/Finance Committee may need direction regarding its priorities. Mr. Johnson suggested that an offer be made to the Committee to conduct a joint meeting with the City Council to discuss its purpose and goals.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King introduced newly hired City Planner Peter Pirnejad. He noted that this was the last Council meeting that Interim Deputy City Manager Jere Kersnar would be attending, as he has accepted the position of city manager in the city of Ojai.

NOTE: The following item was heard and acted upon out of order.

K. REGULAR CALENDAR

K-1 "Take the following actions:

- "a) Adopt Urgency Ordinance amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.20, "Electrical Service," by repealing and reenacting Sections Res.13.20.175 (D)-(1), (5), and (6) relating to Market Cost Adjustment (MCA) billing factor and repealing Section 13.20.185 in its entirety relating to preexisting electric rates; and adopt resolution implementing the MCA; AND/OR
- "b) Introduce Ordinance amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.20, "Electrical Service," by repealing and reenacting Sections 13.20.175 (D)-(1), (5), and (6) relating to Market Cost Adjustment billing factor and repealing Section 13.20.185 in its entirety relating to preexisting electric rates"

City Attorney Schwabauer explained that the proposed ordinances were identical with the exception that the urgency ordinance takes effect immediately and requires a four-fifths vote of Council to approve it and make the finding that it is needed for the immediate preservation of the public peace, health, or safety.

City Manager King noted that a presentation regarding this matter was presented at the October 18 Shirtsleeve Session, after which staff met with the largest electric customers to inform them of potential rate increases. He confirmed that no additional money from the proposed Market Cost Adjustment (MCA) would be transferred from Electric Utility to the City's General Fund.

Interim Electric Utility Director Dockham reported that on October 6 staff secured all the energy (at a 95% level) that would be needed through June 2006 to meet the load serving obligation to customers. Since 2003, the Electric Utility has been operating in a deficit condition. It was anticipated to be in an \$8.3 million deficit condition in fiscal year 2005-06. The cost to purchase energy in 2005-06 increased by \$3 million over what had been anticipated. That amount was mitigated by reducing expenses in the Electric Utility by \$2 million. Mr. Dockham reported that the Utility would now be operating in a deficit of over \$9 million. He characterized the Utility's "savings account" as a combination of rate stabilization and operating fund balances. Over the last few years, the savings account has been drawn down and without an adjustment this year it would be in a negative position. The proposed MCA would bring in \$6 million of the \$10 million needed. It would, however, cut the reduction of the savings account in half so that it would end the year with a positive

fund balance. Seventy-three percent of all expenses of the Electric Utility are fixed and non-discretionary; this includes 65% for purchase of power and 8% debt. Operations and maintenance totaled \$10.4 million and has been reduced by \$2 million. The Utility currently has 14 vacant positions. Services provided to the Utility by other departments total \$3 million and \$6.5 million is transferred to the General Fund. The bulk of the income comes from power sales. Approximately \$1 million comes from investment income (i.e. debt financing and interest on the principle) and payments from other departments for services provided to them. Revenue totals \$56.7 million and expenses total \$65.9 million. Power costs have increased rapidly throughout the United States. There have been no rate adjustments in Lodi since 2002. In 2003, power supply costs were \$30.8 million and it is estimated at \$42.7 million this year. In 2001, Electric Utility had contracts with certain customers that had expired. The contracts were renegotiated in 2003, and it was determined that they would be phased in over a four-year period. In October 2007, they were to be at the full published rate. The economic stimulus rate has been applied to the contracts, so they are not being phased in as originally planned and the published rate is not coming anywhere near meeting the \$6 million actual cost of providing power to these customers. The published rate includes the MCA. Staff is recommending that the MCA be added to the base rate and the discount be applied to published rate.

Mr. Dockham reported that a delay in the recommended rate increase would cause the deficit to increase by \$800,000 a month, which results in a 1.2% larger rate increase. In determining the MCA, staff began with an abbreviated cost of service analysis. Costs were assigned to each rate class based on the actual cost from fiscal year 2005. The 2005 costs were scaled up to align with costs for 2006. Those revenues and expenses were subdivided into power supply and non-power supply related costs and expenses. Mr. Dockham explained that the MCA is only to deal with increases in power supply. The difference between what it costs to serve customers on a power supply basis, and the revenue being received, represents what should be collected by the MCA. The MCA was capped at a level equal to or less than Pacific Gas & Electric (PG&E). The metric used for PG&E included its proposed rates that are scheduled to go into effect on January 1, 2006. Industrial customers, including the contracts and General Mills, are not currently paying any MCA. It costs the City 8 cents to procure energy for an I1 customer and it is being sold for 4 cents. The percentage increase on average for the five contract customers is 57%. The increase for General Mills is proposed to be 79%.

With the aid of overheads, Mr. Dockham displayed and reviewed various reports, spreadsheets, and graphs (all filed). Mr. Dockham stated that Lodi residents are currently paying more than PG&E on an average basis. The commercial average is slightly less than PG&E and the industrial average is significantly below PG&E. In the proposed MCA rate schedule, very low users of electricity will have a decrease in rates. Sixty five percent of residential customers would have a 2% increase on average. Prices per pad in the six mobile home parks in Lodi will increase between \$26 and \$67. The MCA recommendation is a structure that results in every customer class paying what it costs to serve them. Currently, there is a huge subsidy in the largest customer class.

Mr. Dockham reported that there is still a large open position next year and in some months it is nearly 50%. It may be beneficial for Lodi consider participating in a new project; however, this would necessitate development and capital costs. Mr. Dockham stated that there is a need to have someone evaluate the effect of the swaps that were entered into. Currently, there are 14 vacant positions in the Utility and a number of impending retirements. A review of the Utility's capital improvement program also needs to take place. The "true up" will set the rates at a level that they need to be to collect costs on an ongoing basis without a large reliance on a MCA. The MCA can be raised or lowered quickly after more detailed study; it will reduce further losses in income, will reduce the need for larger increases through delay, and will provide a positive signal to financial rating agencies that the City is committed to getting the revenues and expenses situation back into balance.

Mr. Dockham reviewed low-income discount and rebate programs.

Council Member Mounce asked for information related to educational programs that could be put in place to help customers conserve energy.

Mayor Pro Tempore Hitchcock disclosed that she had spoken to Bob Wheeler of General Mills prior to the meeting.

#### RECESS

At 8:45 p.m., Mayor Beckman called for a recess, and the City Council meeting reconvened at 8:54 p.m.

#### K. REGULAR CALENDAR (Continued)

K-1 City Manager King reported that the preliminary official statement in the 2002 bond issue (Cont'd.) indicated that on June 30, 2002, the nine largest customers of the City's Electric Utility Department accounted for 17% of the total kilowatt hours of sale and 8% of the revenue. Mr. King explained that the City used reserves to make up the difference. He stated that if it is Council's desire to reduce the impact to industrial users, the shortfall could be spread out differently and applied to residential customers. The Electric Utility's construction maintenance budget is \$3.7 million. Remaining bond proceeds total \$11.9 million. According to the bond indenture and official statement, system improvements are eligible expenses for bond proceeds. In theory, \$1 million in bond proceeds could be transferred to the Electric Utility construction maintenance budget for system improvements, and \$1 million from construction maintenance could be transferred into bulk power purchase. This could then reduce by one-third the requirements for 2005-06 to the contract users and General Mills. In year 2006-07, the contract users and General Mills would pay what was expected in 2005-06. In 2007-08, the contract users and General Mills could then pay the expected rates and reimburse the bond proceeds. That would have the net effect of not having to transfer the additional cost to the residential customers. Mr. King noted that he was presenting this information as an option for Council's consideration, though he did not recommend it.

Finance Director Krueger distributed and reviewed a memorandum and two spreadsheets listing financial ratios (all filed). He reported that the City's position on June 30, 1996, was just under \$22 million in net assets and that declined to \$13 million by June 30, 2005. In 1999-00, total assets increased as a result of selling certificates of participation. The net effect on the book value net assets of the Electric Utility was not favorably impacted as a result of selling the bonds. Unless proceeds of the bonds are used to either procure or put into place assets that cause the revenue base to increase, or operating expenditures to decrease, then there is no positive impact as a result of borrowing the money. In 2003, a second borrowing took place. Mr. Krueger acknowledged that more than \$1 million of bond money could be taken; however, net assets have declined over the last ten years and it has not produced any benefit to the City's financial position to spend bond proceeds on some of the projects. He cautioned that it would not be advisable to continue in the same fashion on an extended basis.

Council Member Hansen outlined the following options:

- Increase rates for highest users and other customers as recommended;
- Increase rates higher than recommended for residential users;
- Borrow capital money to buy time and allow industrial customers an opportunity to determine how to absorb the cost;
- Reduce the City's General Fund by \$1 million, which would equate to layoffs and significant reductions in services.

Mayor Pro Tempore Hitchcock was opposed to using bond proceeds toward short-term operations.

City Attorney Schwabauer also advised against using bond proceeds as previously mentioned.

PUBLIC COMMENTS:

- Pat Patrick, President of the Lodi Chamber of Commerce, believed that the magnitude and abruptness of the proposed electric rate increase on large businesses would put them in a hardship position. The discounted rates attracted businesses to the community, made them more competitive, and allowed them the opportunity to grow and provide jobs. He asked Council to allow the businesses time to analyze the situation and consider what the impacts would be.
- Dan Sroufe, Pacific Coast Producers, stated that his company pays 8 cents a kilowatt hour under the industrial rate and without the contract rate it would be 8.8 cents. The rate proposal would amount to a 45% increase and cost \$250,000 a year. Pacific Coast Producers employs 650 full-time employees with an average annual salary of \$40,000. He recommended that the true cost of service and true cost of procurement based upon the economy of scale of the user be more closely evaluated before making a decision on the rates. He pointed out that the Utility is spending almost 10% of its revenue on paying debt service. He recommended that Council determine why the debt has not had the return on investment that it should have had.
- Bob Wheeler, Manager of General Mills, noted that his company has operated in Lodi for 54 years. He was told yesterday at 2:30 p.m. by City staff that a 79% increase in electric rates was proposed for General Mills, which amounts to \$1.8 million annually. He mentioned that no member of Council attended the meeting, yet a significant policy shift is being recommended, i.e. doing away with business incentives. Mr. Wheeler stated that General Mills' actual cost is 6.8 cents per kilowatt hour. He reminded Council that regular annual increases in rates would be much more preferable than large unexpected increases that cannot be budgeted for. He emphasized that jobs return an economic benefit to the community. General Mills employs 500 people with salaries of over \$50,000. He asked Council to postpone its vote on this matter for 30 days, or make a modest increase in rates tonight. Time is needed to explore possible solutions and allow businesses and the City to work together collectively. He suggested that an economic analysis of businesses be conducted to show what the net worth is of the jobs they represent. He suggested the Electric Utility be privatized if its only benchmark is keeping rates equal to PG&E's.
- David Duggins, Plant Manager of Certainteed Corporation, reported that it has 185 employees with an average salary of \$40,000. He was informed yesterday that Certainteed would have a 61% increase in its electric rates. This amounts to \$750,000, which is 40% of its gross operating profit per year. Certainteed manufactures PVC pipe and is currently operating at 30% capacity, due to resin/petroleum based products that are no longer available as a result of the recent gulf coast hurricanes. He noted that Certainteed operated under the name Apache Plastics in Stockton and was lured to relocate to Lodi based on discounted electric rates. It paid 4.50 cents per kilowatt hour for three years.
- Adrienne Wang, Account/Controller of Cottage Bakery, reported that the president of the company was out of town and unable to meet with City staff regarding the proposed rate increase. Ms. Wang pointed out that the City adopted its 2005-06 budget in June and must have known that expenses were far greater than revenues. She felt that to increase rates based on the impact of the recent hurricanes would be acceptable; however, it is not fair to suddenly increase rates for other financial factors that the City was, or should have been, aware of. Cottage Bakery has 666 employees with average salaries of \$45,000. A 60% increase in electric rates would equate to more than \$1 million annually.

- Mark Phillips, Plant Manager of Schaefer Systems International, reported that his company was told it would sustain a 57% increase in electric rates, which amounts to \$300,000 a year. He expressed concern about its ability to absorb these costs and maintain profitability in its Lodi facility. As a resident of Lodi he worried about the long-term economic health of the community as a result of this proposal to large businesses. Schaefer Systems has 35 employees with salaries of \$40,000.
- Bob Emmer noted that he sent e-mails to the City Council regarding this matter. He felt that the transfer of Electric Utility money to the City's General Fund was inappropriate. He stated that rates could be lower if the Utility were not subsidizing the General Fund and equated it to a tax. He suggested that a task force be formed to look at the situation from a long-term point of view to determine if it is in the best interest of the City to have an Electric Utility. In reference to the proposed increases, he felt that Council should delay action for 30 days and allow citizens an opportunity to comment.
- Bill Crow asked who was watching the Electric Utility as the \$25 million disappeared. He expressed concern regarding the ability to retain businesses if their rates are increased significantly and asked how the new homes in Lodi would be supported without jobs in the community.
- Ron Addington, Executive Director of The Business Council of San Joaquin, reported that he had received several calls from businesses regarding this proposal. Everyone understands the need for a rate increase; however, there is great concern about the brevity and magnitude of this situation. He asked Council to allow more time to analyze the matter.

City Manager King recalled that there was a change in management of Electric Utility in August. Interim Electric Utility Director Dockham began employment on September 7. Staff had been operating under the assumption that all of the power needs had been secured for the calendar year. Approximately three weeks after he was hired, Interim Director Dockham discovered that the power had not been secured. Staff came before Council on October 5 asking for permission to purchase power on October 6. Once the purchase price was known, staff began working on the proposed MCA and has brought the information forward as quickly as possible.

Boris Prokop, consultant for Electric Utility, reported that the decrease in rates for some customers amounts to \$500,000. He explained that this occurred because PG&E has changed its rate structure since Lodi Electric Utility last changed its rates. The proposed MCA will match PG&E's rates scheduled to go into effect January 2006.

In reply to Council Member Hansen, Mr. Dockham stated that he believed operating expenses for Electric Utility could be reduced further in the short term; however, there are factors which will bring upward expenses in future years. Further analysis needs to be done so that the rate structure will be sufficient on a long-term basis.

Council Member Hansen suggested that decreases in rates not be factored in, that Electric Utility decrease its budget by another \$500,000, and its Operations and Maintenance budget be reduced by \$1 million.

Council Member Johnson pointed out that jobs are paying for services funded through the City's General Fund and if they are lost, the impacts will worsen the City's financial position. He did not see an alternative to having residential rates subsidize the job base to some degree.

Council Member Mounce felt that the rate increase should be spread more evenly throughout the entire customer base. She stated that the high increases to the industrial customers was unacceptable. She asked for additional time to review the information submitted by staff before making a decision.



MOTION # 1 / VOTE:

Mayor Beckman made a motion, Johnson second, to impose a flat 10% increase across the board to all ratepayers. The motion **failed** by the following vote:

Ayes: Council Members – Johnson and Mayor Beckman

Noes: Council Members – Hitchcock, Hansen, and Mounce

Absent: Council Members – None

MOTION #2 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hitchcock, Hansen second, took the following actions by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, and Johnson

Noes: Council Members – Mounce and Mayor Beckman

Absent: Council Members – None

- Introduced Ordinance No. 1765 entitled, “An Ordinance of the City Council of the City of Lodi Amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.20, “Electrical Service,” by Repealing and Reenacting Sections 13.20.175 (D)-(1), (5), and (6) Relating To Market Cost Adjustment Billing Factor; and Further Repealing Section 13.20.185 in its Entirety Relating to Preexisting Electric Rates”;
- Approved 50% of the proposed \*MCA recommendation for industrial customers; and
- Approved recommended \*MCA for all other customer categories as presented, with the exception that there be no decreases in rates

(\*NOTE: Effective date of MCA to coincide with effective date of Ordinance No. 1765).

RECESS

At 11:15 p.m., Mayor Beckman called for a recess, and the City Council meeting reconvened at 11:27 p.m.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Hansen, Mounce second, unanimously voted to hear only Items I-1 and I-2 following the 11:00 p.m. hour.

*NOTE: Council subsequently decided to also consider Item K-5.*

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Beckman called for the public hearing to consider resolution adopting 2005-06 Federal Program of Transit Projects Lodi Urbanized Area.

Public Works Director Prima reported that this was a required public hearing by the Federal Transit Administration. Federal funds are planned to be used for operations rather than capital projects.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

MOTION / VOTE:

No action was taken by the City Council.

- I-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Beckman called for the public hearing to review, adopt, and confirm the Cost Report for weed abatement on properties located at 1527 Magic Lane (APN 031-250-44) and 1315 Industrial Way (APN 049-250-67) and providing for collection through the San Joaquin County Auditor's Office.

City Manager King asked Council to confirm the Cost Report for weed abatement after allowing an opportunity for public comment.

Hearing Opened to the Public

None.

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Mounce, Beckman second, unanimously adopted Resolution No. 2005-225 confirming the cost of weed abatement for the year 2005 and providing for collection.

J. COMMUNICATIONS

- J-1 Claims filed against the City of Lodi – None  
J-2 Appointments – None  
J-3 Miscellaneous – None

K. REGULAR CALENDAR

- K-2 “Adopt resolution accepting Impact Mitigation Fee Program Annual Report for fiscal year 2004-05” was ***pulled pursuant to the above vote.***  
K-3 “Adopt resolution approving the Americans with Disabilities Act Transition Plan and forming a special ad hoc committee to obtain community input regarding future use and improvements for the Grape Bowl under the direction of the Parks and Recreation Commission” was ***pulled pursuant to the above vote.***  
K-4 “Approve expenses incurred by outside counsel relative to the Wal-Mart Supercenter Store litigation and miscellaneous general counsel advice (\$2,433.51) and approve Special Allocation covering these expenses” was ***pulled pursuant to the above vote.***  
K-5 “Adopt resolution ratifying settlement agreement with former Electric Utility Director Alan Vallow and appropriate funds therefore”

City Manager King noted that this matter had been discussed by the City Council at previous meetings and is now presented for action.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Beckman second, unanimously voted to *not* ratify the settlement agreement with former Electric Utility Director Alan Vallow.

L. ORDINANCES

None.

*Continued October 19, 2005*

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:32 p.m.

ATTEST:

Susan J. Blackston  
City Clerk